



Submitted to:

Maryland Senate Finance Committee
Annapolis, MD – March 9, 2023

Testimony from Trulieve
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Favorable with Amendments: Cannabis Reform (SB 516)

Introduction

Trulieve is an industry leading, vertically integrated cannabis company and multi-state operator in the United States, with established hubs in the Northeast, Southeast, and Southwest, anchored by leading market positions in Arizona, Florida, and Pennsylvania. Trulieve is poised for accelerated growth and expansion, building scale in retail and distribution in new and existing markets through its hub strategy. By providing innovative, high-quality products across its brand portfolio, Trulieve delivers optimal patient and customer experiences and increases access to cannabis, helping patients and customers to live without limits.

Trulieve currently serves the needs of Maryland patients with a cultivation and processing facility in Hancock, and dispensaries in Halethorpe, Lutherville, and Rockville.

Trulieve thanks Chair Feldman and Majority Whip Hayes for their time and effort in drafting this legislation and for taking a leadership role on this issue. Trulieve submits this statement in general support of Senate Bill 516 with amended changes.

Proposed Changes

1. License Divestment – Under Section 36-401(E) of the bill, the maximum number of dispensaries an owner can hold is reduced from 4 to 2. This should be amended to restore the current cap of four licenses. The current language would prompt companies that now hold more than two

dispensaries to have no choice but to litigate with the state under several theories of law. Litigation would most definitely halt the Adult Use market, reducing and delaying revenue for the State and delaying the intentions of all voting Marylanders. In addition, it significantly limits the ability of all licensees, both incumbents and new market entrants, including social equity entrants, to be competitive and successfully grow a business in years to come. Requiring divestiture of any business by the government is poor policy with lasting economic consequences. **For these reasons, the license caps should remain at 4.**

2. Ice Cream Truck Style Delivery – New Delivery License – This provision allows only new licensees to deliver products to consumers directly from the grower/processor without having any brick and mortar dispensary. There are several issues with this delivery style. First, it is a public safety issue; a delivery vehicle driving around with cash and cannabis, making frequent stops, leaving the vehicle unattended, is not what Marylanders want. It is not clear where these vehicles are allowed to sell the product. For example, are they allowed to drive through neighborhood streets, church and school parking lots, city streets and pull over when flagged down? Are they allowed to park on the side of the road like a food truck and sell out of the side window? And if a consumer or patient has a problem or question and would want to make a return – there is no building for them to go to. Do they flag down the next delivery driver? This model of delivery poses very real safety concerns as well as product tracking and consumer confidence concerns. **For these reasons, the ice cream truck delivery method should be amended and should instead allow for all licensed dispensaries to deliver product, directly and only to a registered patient or customer’s home address, in a secure vehicle.**
3. Canopy Caps – Section 36-401(C)(1) would cap the maximum annual production for any licensed grower to 300,000 square feet of indoor canopy. This amount of square footage will saturate and weaken the market and cause excess product to potentially be disposed of in the illicit



market, as many states ahead of us have experienced when an over-supply of product is diverted due to the inability to sell through this quantity in the regulated market. **For these reasons, the canopy caps should be amended to a maximum of 100,000 square feet to ensure a competitive and successful market for Maryland.**